

Senate Amendment 5077

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1 1 Amend Senate File 2314 as follows:
1 2 #1. By striking everything after the enacting
1 3 clause and inserting the following:
1 4 <Section 1. NEW SECTION. 99B.7B CARD GAME
1 5 TOURNAMENTS CONDUCTED BY QUALIFIED ORGANIZATIONS
1 6 REPRESENTING VETERANS.
1 7 1. As used in this section, unless the context
1 8 otherwise requires:
1 9 a. "Card game" means only poker, pinochle, pitch,
1 10 gin rummy, bridge, euchre, hearts, or cribbage.
1 11 b. "Qualified organization representing veterans"
1 12 means any licensed organization representing veterans,
1 13 which is a post, branch, or chapter of a national
1 14 association of veterans of the armed forces of the
1 15 United States, is a federally chartered corporation,
1 16 dedicates the net receipts of a game of skill, game of
1 17 chance, or raffle as provided in section 99B.7, is
1 18 exempt from federal income taxes under section
1 19 501(c)(19) of the Internal Revenue Code as defined in
1 20 section 422.3, has an active membership of not less
1 21 than twelve persons, and does not have a self=
1 22 perpetuating governing body and officers.
1 23 2. Notwithstanding any provision of this chapter
1 24 to the contrary, card game tournaments lawfully may be
1 25 conducted by a qualified organization representing
1 26 veterans if all of the following are complied with:
1 27 a. The organization conducting the card game
1 28 tournament has been issued a license pursuant to
1 29 subsection 4 and prominently displays that license in
1 30 the playing area of the card game tournament.
1 31 b. The card games to be conducted during a card
1 32 game tournament, including the rules of each card game
1 33 and how winners are determined, shall be displayed
1 34 prominently in the playing area of the card game
1 35 tournament. Each card game shall be conducted in a
1 36 fair and honest manner and shall not be operated on a
1 37 build-up or pyramid basis. Every participant in a
1 38 card game tournament must be given the same chances of
1 39 winning the tournament and shall not be allowed any
1 40 second chance entries or multiple entries in the card
1 41 game tournament.
1 42 c. Participation in a card game tournament
1 43 conducted by a qualified organization representing
1 44 veterans shall only be open to members of the
1 45 qualified organization representing veterans and
1 46 guests of a member if a bona fide social relationship
1 47 exists between the member and the guest. The cost to
1 48 participate in a card game tournament shall be limited
1 49 to one hundred dollars and shall be the same for every
1 50 participant in the card game tournament. Participants
2 1 in a card game tournament shall be at least twenty=one
2 2 years of age.
2 3 d. Cash or merchandise prizes may be awarded
2 4 during a card game tournament and shall not exceed one
2 5 thousand dollars and no participant shall win more
2 6 than a total of two hundred fifty dollars. A
2 7 qualified organization representing veterans shall
2 8 distribute amounts awarded as prizes on the day they
2 9 are won and merchandise prizes shall not be
2 10 repurchased. An organization conducting a card game
2 11 tournament shall only display prizes in the playing
2 12 area of the card game tournament that can be won.
2 13 e. The qualified organization representing
2 14 veterans shall conduct each card game tournament and
2 15 any card game conducted during the tournament and
2 16 shall not contract with or permit another person to
2 17 conduct the card game tournament or any card game
2 18 during the tournament.
2 19 f. No person receives or has any fixed or
2 20 contingent right to receive, directly or indirectly,
2 21 any profit, remuneration, or compensation from or
2 22 related to a game in a card game tournament, except
2 23 any amount which the person may win as a participant
2 24 on the same basis as the other participants.

2 25 g. A qualified organization representing veterans
2 26 shall not hold more than one card game tournament per
2 27 week. Card game tournaments held under an annual game
2 28 night license shall not count toward the limit of one
2 29 card game tournament per week. With the exception of
2 30 an annual game night license, no more than one card
2 31 game tournament per week shall be held within a
2 32 structure or building and only one qualified
2 33 organization representing veterans licensed to conduct
2 34 card game tournaments under this section may hold card
2 35 game tournaments within a structure or building. A
2 36 qualified organization representing veterans shall be
2 37 allowed to hold only one card game tournament during a
2 38 calendar day.

2 39 h. At the conclusion of each card game tournament,
2 40 the person conducting the card game tournament shall
2 41 announce the gross receipts received, the total amount
2 42 of money withheld for expenses, and the amount
2 43 withheld for state taxes.

2 44 i. The person conducting the card game tournament
2 45 does none of the following:

2 46 (1) Hold, currently, another license issued under
2 47 this section.

2 48 (2) Own or control, directly or indirectly, any
2 49 class of stock of another person who has been issued a
2 50 license to conduct games under this section.

3 1 (3) Have, directly or indirectly, an interest in
3 2 the ownership or profits of another person who has
3 3 been issued a license to conduct games under this
3 4 section.

3 5 3. The qualified organization representing
3 6 veterans licensed to hold card game tournaments under
3 7 this section shall keep a journal of all dates of
3 8 events, amount of gross receipts, amount given out as
3 9 prizes, expenses, amount collected for taxes, and the
3 10 amount collected as revenue.

3 11 a. The amount collected by the qualified
3 12 organization representing veterans as revenue is
3 13 limited to ten percent of the gross receipts collected
3 14 from each event.

3 15 b. Each qualified organization representing
3 16 veterans shall withhold that portion of the gross
3 17 receipts subject to taxation pursuant to section
3 18 423.2, subsection 4, which shall be kept in a separate
3 19 account and sent to the state along with the
3 20 organization's quarterly report.

3 21 c. A qualified organization representing veterans
3 22 licensed to conduct card game tournaments is allowed
3 23 to withhold no more than five percent of the gross
3 24 receipts from each card game tournament for qualified
3 25 expenses. Qualified expenses include but are not
3 26 limited to the purchase of supplies and materials used
3 27 in conducting card games. Any money collected for
3 28 expenses and not used by the end of the calendar year
3 29 shall be donated for educational, civic, public,
3 30 charitable, patriotic, or religious uses as described
3 31 in section 99B.7, subsection 3, paragraph "b". The
3 32 qualified organization representing veterans shall
3 33 attach a receipt for any donation made to the fourth
3 34 quarter quarterly report required to be submitted
3 35 pursuant to section 99B.2.

3 36 d. Each qualified organization representing
3 37 veterans licensed under this section shall make
3 38 recordkeeping and all deposit receipts available as
3 39 provided in section 99B.2, subsection 2.

3 40 4. An organization wishing to conduct card game
3 41 tournaments pursuant to this section as a qualified
3 42 organization representing veterans shall submit an
3 43 application and annual license fee of two hundred
3 44 dollars to the department.

3 45 Sec. 2. Section 99B.8, Code Supplement 2005, is
3 46 amended by adding the following new subsection:

3 47 NEW SUBSECTION. 6. Notwithstanding any provision
3 48 of section 99B.7 to the contrary, if the games are
3 49 conducted by a qualified organization representing
3 50 veterans as defined in section 99B.7B issued a license
4 1 pursuant to subsection 3, the sponsor may award cash
4 2 or merchandise prizes in any game of skill, game of
4 3 chance, or card game lawfully conducted during the
4 4 annual game night in an amount not to exceed ten
4 5 thousand dollars and no participant shall win more

4 6 than a total of five thousand dollars.
4 7 Sec. 3. Section 99B.9, subsection 1, unnumbered
4 8 paragraph 1, Code 2005, is amended to read as follows:
4 9 Except as otherwise permitted by section 99B.3,
4 10 99B.5, 99B.6, 99B.7, 99B.7B, 99B.8, 99B.11, or
4 11 99B.12A, it is unlawful to permit gambling on any
4 12 premises owned, leased, rented, or otherwise occupied
4 13 by a person other than a government, governmental
4 14 agency, or governmental subdivision, unless all of the
4 15 following are complied with:
4 16 Sec. 4. Section 99B.12, subsection 1, unnumbered
4 17 paragraph 1, Code 2005, is amended to read as follows:
4 18 Except in instances where because of the location
4 19 of the game or the circumstances of the game section
4 20 99B.3, section 99B.5, section 99B.6, section 99B.7,
4 21 section 99B.7B, section 99B.8, or section 99B.9 is
4 22 applicable, individuals may participate in gambling
4 23 specified in subsection 2, but only if all of the
4 24 following are complied with:
4 25 Sec. 5. Section 423.2, subsection 4, Code
4 26 Supplement 2005, is amended to read as follows:
4 27 4. A tax of five percent is imposed upon the sales
4 28 price derived from the operation of all forms of
4 29 amusement devices and games of skill, games of chance,
4 30 raffles, and bingo games as defined in chapter 99B,
4 31 and card game tournaments conducted under section
4 32 99B.7B, that are operated or conducted within the
4 33 state, the tax to be collected from the operator in
4 34 the same manner as for the collection of taxes upon
4 35 the sales price of tickets or admission as provided in
4 36 this section. Nothing in this subsection shall
4 37 legalize any games of skill or chance or slot-operated
4 38 devices which are now prohibited by law.
4 39 The tax imposed under this subsection covers the
4 40 total amount from the operation of games of skill,
4 41 games of chance, raffles, and bingo games as defined
4 42 in chapter 99B, card game tournaments conducted under
4 43 section 99B.7B, and musical devices, weighing
4 44 machines, shooting galleries, billiard and pool
4 45 tables, bowling alleys, pinball machines, slot=
4 46 operated devices selling merchandise not subject to
4 47 the general sales taxes and on the total amount from
4 48 devices or systems where prizes are in any manner
4 49 awarded to patrons and upon the receipts from fees
4 50 charged for participation in any game or other form of
5 1 amusement, and generally upon the sales price from any
5 2 source of amusement operated for profit, not specified
5 3 in this section, and upon the sales price from which
5 4 tax is not collected for tickets or admission, but tax
5 5 shall not be imposed upon any activity exempt from
5 6 sales tax under section 423.3, subsection 78. Every
5 7 person receiving any sales price from the sources
5 8 described in this section is subject to all provisions
5 9 of this subchapter relating to retail sales tax and
5 10 other provisions of this chapter as applicable.>
5 11 #2. Title page, by striking lines 1 through 3 and
5 12 inserting the following: <An Act concerning the
5 13 licensure, operation, and taxation of card game
5 14 tournaments by organizations representing veterans and
5 15 allowable prizes at annual game nights.>
5 16 #3. By renumbering as necessary.
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5 20 JEFF DANIELSON
5 21 SF 2314.302 81
5 22 ec/cf/4165